

CERCLA 104(e) INFORMATION REQUEST
URGENT LEGAL MATTER: PROMPT REPLY REQUESTED
CERTIFIED MAIL, RETURN RECEIPT REQUESTED #xxxxxxxxxxxxxxxxxxxx

Richard F. Bergner
for National Oil Recovery Corporation
Richard F. Bergner & Associates
5151 San Felipe, Suite 1950
Houston, Texas 77056-3607

Re: Falcon Refinery Superfund Site, Southeast of Ingleside in San Patricio County, Texas
SSID No. 06MC

Dear Sir/Madam:

The U.S. Environmental Protection Agency (EPA) seeks cooperation from the National Oil Recovery Corporation (NORCO), a Delaware corporation recognized by the Texas Secretary of State to conduct business in Texas. Cooperation is requested to aid the EPA in its determination of NORCO's financial ability to pay response costs in connection with the Falcon Refinery Superfund Site (Site) located in San Patricio County, Texas.

The EPA requests NORCO complete the enclosed Information Request and ability to pay documents. In addition, NORCO is asked to provide any additional information that will facilitate a better understanding of its financial situation.

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Section 104(e), 42 U.S.C. § 9604(e), gives the EPA the authority to require the respondent to respond to this information request (see Enclosure 1). We encourage you to give this matter your full attention, and we respectfully request you to respond to this request for information within thirty (30) days of receipt of this letter. You may designate another official with the requisite authority to respond on behalf of yourself. However, failure to respond to this information request may result in the EPA seeking penalties of up to \$37,500 per day of violation. In addition, furnishing false, fictitious or fraudulent statements or representations is subject to criminal penalty under 18 U.S.C. § 1001.

Please provide a written response to Mr. Robert Werner, Enforcement Officer, at the address included in the Information Request. Please refer to Enclosure 2 for important instructions and definitions and Enclosure 3 for specific questions that require your response to this Information Request.

If you have any questions regarding this letter, contact Mr. Werner at (214) 665-6724. For legal questions concerning this letter, please have your legal counsel contact Mr. Marvin Benton, at (214) 665-3109. Thank you for your attention to this matter.

Sincerely yours,

Wren Stenger, Associate Director
Technical and Enforcement Branch
Superfund Division

Enclosures (3)

ENCLOSURE 1

FALCON REFINERY SUPERFUND SITE

INFORMATION REQUEST

RESPONSE TO INFORMATION REQUEST

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as the federal "Superfund" law, the U.S. Environmental Protection Agency (EPA) responds to the release or threat of release of hazardous substances, pollutants or contaminants into the environment to stop additional contamination and to clean-up or otherwise address any prior contamination.

The EPA is requesting information under CERCLA Section 104(e). Section 104(e) may be found in the United States Code (U.S.C.) at Title 42 Section (section is denoted by the symbol "§") 9604(e) 42 U.S.C. § 9604(e).

Pursuant to the authority of CERCLA §104(e), you are hereby requested to respond to the enclosed information request. If you have any questions concerning the Site's history or this information request letter, please contact Mr. Robert Werner, the designated Enforcement Officer for the Site, at phone number (214) 665-6724, fax number (214) 665-6660 or via email at werner.robert@epa.gov. Please mail your response within 30 calendar days of your receipt of this request to the following address:

Mr. Robert Werner, Enforcement Officer
Superfund Enforcement Assessment Section (6SF-TE)
U.S. EPA, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

If you or your attorney has legal questions that pertain to this information letter request, please contact Ms. Gloria Moran at phone number (214) 665-3193 fax number (214) 665-2182 or via email at moran.gloria-small@epa.gov. For contact via mail, use the following address:

Ms. Gloria Moran, Attorney
Office of Regional Counsel (6RC-S)
U. S. EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

BACKGROUND INFORMATION

The Falcon Refinery Superfund Site (Site) is the location from which the now closed Falcon Refinery had operated. The Site is located southeast of the city limits of the City of Ingleside, in San Patricio County, Texas. The Site's land area approximates 101.5 acres. The Site's land area is

comprised of four separate parcels of land; a 9.145 acre parcel, a 50.113 acre parcel, a 28 acre parcel, and a 14.24 acre parcel. The 9.145 acre parcel is situated on the northwest side of where Farm-to-Market Road 2725 and Bishop Road/County Road 4717 intersect. The 50.113 acre parcel is situated on the southeast corner of where Farm-to-Market Road 2725 and Bishop Road/County Road 4717 intersect. The 28 acre parcel is adjacent to the southeast side of the 50.113 acre parcel and both parcels are adjacent to the southwest side of County Road 4717. The 14.24 acre parcel is bounded on its southeast side by Redfish Bay and contains land areas on both sides of County Road 4692.

Primary processing activities at the now closed Falcon Refinery had been conducted on the 50.113 acre parcel. Transfer of materials between barges and storage tanks occurred at the dock facility on the 14.24 acre parcel.

In May 2000, the Texas Natural Resource Conservation Commission conducted sampling activities at the Site and documented the following hazardous substances: cyclohexane, methycyclohexane, toluene, ethylbenzene, xylenes (totals), fluoranthene, pyrene, benzo(a)anthracene, chrysene, benzo(b)fluoranthene, benzo(k)fluoranthene, benzo(a)pyrene, ideno(1,2,3-cd)pyrene, benzo(g,h,i)perylene, aluminum, arsenic, barium, cadmium, chromium, copper, lead, manganese, mercury, nickel, selenium, thallium, vanadium, and zinc. The findings of an Expanded Site Inspection, completed in November 2000, revealed releases from the Site of the following hazardous substances: fluoranthene, pyrene, benzo(a)anthracene, chrysene, benzo(b)fluoranthene, benzo(k)fluoranthene, benzo(a)pyrene, ideno(1,2,3-cd)pyrene, benzo(g,h,i)perylene, dibenz(a,h)anthracene, barium, manganese, and mercury.

ENCLOSURE 2

FALCON REFINERY SUPERFUND SITE

INFORMATION REQUEST

INSTRUCTIONS AND DEFINITIONS

INSTRUCTIONS

1. Please provide a separate narrative response for each and every Question and subpart of a Question set forth in this Information Request.
2. Precede each answer with the Question (or subpart) and the number of the Question (and the letter of a subpart of a Question, if applicable) to which it corresponds.
3. If information or documents not known or not available to you as of the date of submission of a response to this Information Request should later become known or available to you, ***you must supplement*** your response to the U.S. Environmental Protection Agency (EPA). Moreover, should you find, at any time, after submission of your response, that any portion of the submitted information is false or misrepresents the truth, or, though correct when made, is no longer true, you must notify the EPA of this fact as soon as possible and provide the EPA with a corrected response.
4. For each document produced in response to this Information Request, indicate on the document, or in some other reasonable manner, the number of the Question (and the letter of a subpart of a Question, if applicable) to which it responds.
5. You may assert a business confidentiality claim covering part or all of the information which you submit in response to this request. Any such claim must be made by placing on (or attaching to) the information, at the time it is submitted to the EPA, a cover sheet or a stamped or typed legend or other suitable form of notice employing language such as "trade secret," "proprietary," or "company confidential." Confidential portions of otherwise non-confidential documents should be clearly identified and may be submitted separately to facilitate identification and handling by the EPA. If you make such a claim, the information covered by that claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in subpart B of 40 CFR Part 2. If no such claim accompanies the information when it is received by the EPA, it may be made available to the public by the EPA without further notice to you. The requirements of 40 CFR Part 2 regarding business confidentiality claims were published in the Federal Register on September 1, 1976, and were amended September 8, 1976, and December 18, 1985.
6. Personal Privacy Information. Personnel and medical files, and similar files the disclosure of which to the general public may constitute an invasion of privacy should be segregated from your responses, included on separate sheet(s), and marked as "Personal Privacy Information."

7. Objections to questions. If you have objections to some or all the questions within the Information Request Letter, you are still required to respond to each of the questions.

DEFINITIONS

The following definitions shall apply to the following words as they appear in this enclosure:

1. The terms "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of this Information Request any information which might otherwise be construed to be outside its scope.
2. The term "any", as in "any documents" for example, shall mean "any and all."
3. The term "arrangement" means every separate contract or other agreement between two or more persons.
4. The terms "document(s)" and "documentation" shall mean any object that records, stores, or presents information, and includes writings of any kind, formal or informal, whether or not wholly or partially in handwriting, including by way of illustration and not by way of limitation, any invoice, manifest, bill of lading, receipt, endorsement, check, bank draft, canceled check, deposit slip, withdrawal slip, order, correspondence, record book, minutes, memorandum of telephone and other conversations including meetings, agreements and the like, diary, calendar, desk pad, scrapbook, notebook, bulletin, circular, form, pamphlet, statement, journal, postcard, letter, telegram, telex, telecopy, telefax, report, notice, message, analysis, comparison, graph, chart, map, interoffice or intra office communications, photostat or other copy of any documents, microfilm or other film record, any photograph, sound recording on any type of device, any punch card, disc pack; any tape or other type of memory generally associated with computers and data processing (together with the programming instructions and other written material necessary to use such punch card, disc, or disc pack, tape or other type of memory and together with the printouts of such punch card, disc, or disc pack, tape or other type of memory); and (a) every copy of each document which is not an exact duplicate of a document which is produced, (b) every copy which has any writing, figure or notation, annotation or the like on it, (c) drafts, (d) attachments to or enclosures with any document and (e) every document referred to in any other document.
5. The term "identify" means, with respect to a natural person, to set forth the person's name, present or last known business and personal addresses, email address(es), and telephone numbers, and present or last known job title, position or business. Also provide e-mail addresses.
6. The term "identify" means, with respect to a corporation, partnership, business trust or other association or business entity (including, but not limited to, a sole proprietorship), to set forth its full name, address, and legal form (e.g. corporation [including state of incorporation], partnership, etc.), organization, if any, a brief description of its business, and to indicate whether or not it is still in existence and, if it is no longer in existence, to explain how its existence was terminated and to indicate the date on which it ceased to exist. Also provide e-mail addresses.

7. The term "identify" means, with respect to a document, to provide the type of document, to provide its customary business description, its date, its number, if any (invoice or purchase order number), subject matter, the identity of the author, addressor, addressee and/or recipient, and the present location of such document.
8. The term "person" shall have the same definition as in Subsection 101 (21) of CERCLA, 42 U.S.C. § 9601 (21).
9. The term "Site" shall mean and include the Falcon Refinery Superfund Site (Site). The Site is the location from which the now closed Falcon Refinery had operated. The Site is located southeast of the city limits of the City of Ingleside, in San Patricio County, Texas.
10. The terms "you" or "your" or "Respondent" shall mean the addressee of this Request, the addressee's officers, managers, employees, contractors, trustees, partners, successors and agents.
12. Words in the masculine shall be construed in the feminine, and vice versa, and words in the singular shall be construed in the plural, and vice versa, where appropriate in the context of a particular question or questions as necessary to bring within the scope of this Information Request any information which might otherwise be construed to be outside its scope.
13. All terms not defined herein shall have their ordinary meaning, unless such terms are defined in CERCLA, RCRA, 40 CFR Part 300 or 40 CFR Parts 260-280, in which case the statutory or regulatory definitions shall apply.

ENCLOSURE 3

FALCON REFINERY SUPERFUND SITE

INFORMATION REQUEST

QUESTIONS

1. Please identify the person(s) that answers the below questions on behalf of the National Oil Recovery Corporation (NORCO). Please also include that person(s) contact information address, phone number, fax number, and e-mail address
2. Does NORCO wish to designate an individual for future correspondence from the U.S. Environmental Protection Agency (EPA) that associates NORCO to this Site? If yes, please provide the individual's name, address, telephone number, and fax number.
3. Please identify the organizational and/or financial relationship(s), if any, that NORCO, and/or Mr. Solfred Maizus (NORCO's president) now has, or ever had, with each of the following business entities:
 - A. Blue Dolphin Energy Company, a Delaware corporation, recognized by the Texas Secretary of State on March 19, 1987.
 - B. Carroll & Company Financial Holdings LP, a Texas limited partnership, recognized by the TX Secretary of State on March 04, 2005.
 - C. Lazarus Financial, LLC, a Texas limited liability company, recognized by the Texas Secretary of State on March 4, 2005.
 - D. Lazarus Energy Holdings LLC (LEH), a Delaware limited liability company, recognized by the Texas Secretary of State on March 16, 2006.
 - E. Lazarus Energy LLC, a Delaware limited liability company, recognized by the Texas Secretary of State on March 16, 2006.
 - F. Lazarus Texas Refinery I, LLC, a Delaware limited liability company, recognized by the Texas Secretary of State on July 19, 2006.
 - G. Lazarus Texas Refinery II, LLC, a Delaware limited liability company, recognized by the Texas Secretary of State on July 20, 2006.
 - H. Apollo Management VI, L.P., a Delaware limited partnership, recognized by the New York Division of Corporations on May 6, 2005 (reported as one of two governing organizations for Lazarus Energy Holdings LLC.)

- I. AP Energy Partners LLC, (reported as being the governing person and director for Lazarus Energy Holdings LLC)
4. Please identify the organizational and/or financial relationship(s), if any, that NORCO, and/or Mr. Solfred Maizus now has, or ever had, with NORCOROM Industries, SRL (NORCOROM) and/or with Mr. Nelu Marius Velicescu (President, Sole Shareholder, and Director of NORCOROM).
5. Please provide phone numbers and mailing addresses for NORCOROM and for Mr. Nelu Marius Velicescu.
6. Narrative in a letter from NORCO, dated February 23, 2012, to Mr. Jonathan Carroll, Director, Lazarus Energy Holdings LLC (interested buyer) and to Mr. Jonathan Carroll, Director, Lazarus Texas Refinery I, LLC (also an interested buyer) identifies NORCO and NORCO-SRL agreed to sell the Site to buyers for a total of 3.5 million dollars. Narrative in the letter further identified buyers had been advised of a Removal Action Administrative Order on Consent (AOC) and a RI/FS Remedial Action AOC. Letter acknowledged buyers understood that both AOCs pertained to the Site, that EPA and NORCO were parties to both AOCs, and that buyers agreed to be jointly and severally responsible for NORCO's costs, expenses, and penalties relating to the two AOCs. Considering this information, please respond to the following:
 - A. Identify the person(s) that represented NORCO and NORCOROM in this sale agreement.
 - B. Identify each payment date and each dollar amount for each payment that buyers agreed to pay to NORCO and to NORCOROM for this purchase.
 - C. Provide copies of documents, i.e., signed receipts, bank deposits, etc., that confirm dates for all payments received and actual dollars received by NORCO from buyer.
 - D. Provide copies of documents, i.e., signed receipts, bank deposits, etc., that confirm dates for payments received and actual dollars received by NORCOROM from buyer.
 - E. Are there any documented or undocumented agreements and/or understandings that imply, indicate or specify buyers will pay NORCO, NORCOROM, and/or agents, representatives, shareholders, bondholders, or creditors of NORCO and/or NORCOROM any amount greater than 3.5 million dollars for the purchase of the Site? If your answer to this question is yes, please explain.
7. On September 19, 2012, the EPA sent a letter to Richard F. Bergner, registered agent for NORCO, advising that NORCO had failed to replenish the Special Account #2, Falcon Refinery Superfund Site 06MC. The letter also advised Mr. Bergner that the EPA demanded NORCO immediately pay the \$209,036.12 in order to comply with NORCO's

RI/FS AOC. As of March 9, 2013, the EPA has not yet received the \$209,036.12 payment from NORCO. Has NORCO already paid the \$209,036.12 amount to the EPA?

- (1) If the answer to question #7 is yes, please provide a copy of a canceled check, money order, or wire transfer to document the payment.
- (2) If the answer to question #7 is no, when will NORCO pay the \$209,036.12 delinquent amount to the EPA.

8. The following questions seek information to assist the EPA to determine NORCO's financial ability to pay monies required by AOCs referred in the above question #6.

- A. Please provide a balance sheet that identifies all of NORCO's current assets and all of NORCO's current liabilities.
- B. Please provide signed copies of all income tax returns, including all attachments thereto, submitted by or for NORCO to the United State Internal Revenue Service, for NORCO's most recent three tax years.
- C. Please provide copies of any and all loan applications submitted by or for NORCO to banks or other lending institutions in the last three calendar years.
- D. Please provide copies of the most recent three years of NORCO's audited financial statements complete with all notes and supplementary schedules. Non-audited financial statements are acceptable if one of more of the financial statements were not audited.
- E. Please provide copies of all insurance policies that may potentially provide NORCO with insurance for bodily injury, property damage and/or environmental contamination in connection with the Site and/or NORCO's business operations. Include, without limitation, all comprehensive general liability, primary, excess, and umbrella policies.
- F. To the extent not identified in Question 12 above, provide all other evidence of casualty, liability and/or pollution insurance issued to NORCO.
- G. If you have any reason to believe that there may be persons able to provide a more detailed or complete response to any question contained herein or who may be able to provide additional responsive documents, please identify such persons and their contact information.
- H. Please provide any additional information that you feel might help the EPA understand the financial situation of NORCO as it pertains to its ability to pay response costs incurred at the Site.

ENCLOSURE 4

FACLON REFINERY SUPERFUND SITE

INFORMATION REQUEST

SUPPORTING DOCUMENTS (SITE INFORMATION)

1. Aerial photo of the Site area overlaid with boundary lines for a 9.145 acre parcel of land, a 50.113 acre parcel of land, a 28.00 acre parcel of land , and a 14.24 acre parcel of land. These four parcels, when combined, comprise total land area of the Falcon Refinery Site.
- 2., Copy of letter, dated February 23, 2012, to National Oil Recovery Corporation (NORCO) from Mr. Jonathan Carroll, Director, Lazarus Energy Holdings LLC and Mr. Jonathan Carroll, Director, Lazarus Texas Refinery I, LLC (LTRI).,
3. Copy of Special Warranty Deed With Vendor's Lien, executed February 29, 2012, documenting that NORCO sold to LTRI a 87.258 acre land area identified as "Refinery Land." The deed further documents that the 87.258 acre land area is also known as the "Falcon Refinery" and has been designated by the Environmental Protection Agency ("EPA") as a Superfund Site, and is subject to remediation and clean-up in connection with two (2) Administrative Orders On Consent with the EPA relative to the Property. This deed documents NORCO SRL sold LTRI to a 87.258 acre land area, i.e., part of the Site.
4. Copy of Special Warranty Deed and Bill of Sale, executed February 29, 2012, grantor being Norcorom Industries SRL and grantee being LTRI. This deed documents Norcorom Industries SRL sold LTRI to a 14.24 acre land area identified as the barge dock, i.e., part of the Site.
5. Copy of letter, dated September 19, 2012, from the EPA to Richard F. Bergner, registered agent for NORCO, advising that NORCO had failed to replenishment the Special Account #2, Falcon Refinery Superfund Site 06MC.

Werner, 3/08/2013, 104(e) Information Request to NORCO

Mueller	Johnson	Moran	Peycke	Stengerr
6SF-R	6SF-TE	6RC-S	6RC-S	6SF-T